
NIH POLICY MANUAL
55805 CLOSEOUT OF NIH GRANTS
ISSUING OFFICE: OPERA/OER 435-0949
RELEASE DATE: 02/16/00

1. **Explanation of Material Transmitted:** This chapter is being revised to update the basic requirements for the administrative closeout of assistance awards following expiration of support from the National Institutes of Health.
2. **Filing Instructions:**

Remove: NIH Manual 5805 dated 02/14/86 in its entirety

Insert: NIH Manual 5805 dated 02/16/00
3. **Distribution:** NIH Manual Mailing Keys F-401 and F-406 (transmittal sheet only): Chapter text is available on-line. See the last bullet on this page for on-line information.

Please Note: For information on:

- ♦ **content of this chapter**, contact the issuing office listed above.
- ♦ **NIH Manual Mailing Keys** or for a **paper copy** of this chapter, contact the **Division of Support Services, ORS**, on **496-4808**.
- ♦ **NIH Manual System**, contact the **Division of Management Support, OMA, OA**, on **496-2832**.
- ♦ **on-line information use:** <http://www3.od.nih.gov/oma/manualchapters>

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CLOSEOUT OF NIH GRANTS

A. Purpose: This issuance states the basic requirements for the administrative closeout of assistance awards following expiration of support from the National Institutes of Health (NIH).

B. Applicability: This policy applies to NIH assistance awards. See Section F. Special Procedures, for closeout of fellowships and institutional training grants.

C. References:

1. 45 CFR 74.53-Retention and Access Requirements for Records
2. 45 CFR 74.71-Closeout Procedures
3. 45 CFR 92.50-Closeout Procedures
4. PHS Grants Administration Manual Part 127, Grant Closeout
5. NIH Manual Chapter 1742, Transfer, Withdrawal and Destruction of Records at the Washington National Records Center
6. NIH Manual Chapter 1743, Keeping and Destroying Records
7. NIH Manual Chapter 4810, National Research Service Awards
8. NIH Manual Chapter 5806, Overdue Reports - Discretionary Grants
9. NIH Manual Chapter 1130, Delegations of Authority, **Program: Grants & Awards #8**, Deviations from HHS Grant Regulations and Policies

D. Policy: NIH recipients shall submit, within 90 calendar days after the date of completion of the award, all financial, performance, and other reports as required by the terms and conditions of the award. Grant closeout procedures shall ensure that the interests of the Government have been adequately protected, all significant actions have been documented, and all necessary scientific and administrative reports have been received.

Closeout may affect the time period for retention of records by the grantee since submission of the final financial status report establishes the 3-year record retention period. See 45 CFR Part 74.53 Retention and access requirements for records.

The specific reports required by the NIH are:

1. **The Final Financial Status Report (FSR) - (Standard Form 269)**

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Grantees are instructed to submit a hardcopy or an electronic final FSR directly to the Office of Financial Management (OFM), NIH. This report must indicate the exact balance of unobligated funds and may not reflect any unliquidated obligations. Once approved, OFM will forward a hard copy of the final FSR to the appropriate Institute or Center (IC). The approved report can also be accessed electronically.

2. The Final Invention Statement & Certification (HHS Form 568)

This statement must list all inventions conceived or reduced to practice during the course of work under the project from the original effective date of support through the date of expiration or termination, whether or not previously reported. If an invention is reported, the IC must forward a copy of Form 568 to the Division of Extramural Inventions and Technology Resources, OPERA, OER, NIH. (Note: Even if no inventions have been made, Form 568 must be submitted.)

For certain mechanisms (C06, R13, R25, S15, Ts, and Fs), the Final Invention Statement is not currently required. In general, training and educational mechanisms do not require invention reporting.

3. The Final Progress Report

This report should be prepared in accordance with instructions provided by the awarding component. At a minimum, it should include a statement of progress made toward the achievement of originally stated aims, a list of results (positive or negative) considered significant, and a list of publications resulting from the project, with plans, if any, for further publication. A copy of reprints or publications not previously submitted should accompany the progress report.

If a competitive renewal (Type 2) has been submitted, whether funded or not, the progress report contained in that application may serve in lieu of a separate final progress report. In addition, at the discretion of the awarding unit, a reprint or preprint may be used for this purpose.

4. Other

For any for-profit grantee including Small Business Innovative Research and Small Business Technology Research grants that received an award with a start date prior to August 25, 1994, title to equipment purchased with grant funds vests with the Federal government. These recipients must complete a final inventory of equipment on Form HHS-565, "Report of Accountable Personal Property." At the time this form is completed, the awardee may request transfer of the title. For awards issued on or after

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August 25, 1994, the equipment vests with the grantee and thus, the above procedure is no longer required.

If the inventory (HHS-565) is returned indicating that equipment was purchased, the original form and the disposition instructions from the Chief Grants Management Officer (GMO), must be forwarded to the Research Contracts Property Administrator, Property Management Division (PMD), Office of Logistics Management (OLM), Bldg. 13, Room 2E65D. Once PMD processes the inventory of equipment, it will be returned to the awarding unit indicating "complete." The PMD is responsible for notifying the grantee in writing of the disposition.

If the inventory is returned indicating no equipment was purchased, no further action is required.

E. Procedures:

1. The following procedures are recommended as the standard for NIH. However, each awarding unit **may implement** them in accordance with its own IC practices/procedures.

- a. The awarding unit should advise the grantee of the closeout requirements by a term and condition on the Notice of Grant Award for the final year of each competitive segment. This term should list the required documents and the possible sanctions for noncompliance. For example, failure to submit the required reports, when due, may result in the imposition of a special award provision or the withholding of other eligible projects or activities involving the grantee organization.
- b. Upon receipt of the reports, IC staff will prepare a checklist documenting that all closeout requirements have been met. (See **Appendix 1**) The completed checklist should reflect program staff's acceptance of the Final Progress Report.
- c. Prior to closing a grant file, grants management staff will ensure that all pertinent documents required throughout the life of a project are contained in the official grant file.

2. Time frames for obtaining delinquent reports:

a. **90 calendar days following termination:**

Grants management staff will send a letter to the business/institutional official with a copy to the principal investigator (PI). This letter should list the documents needed and should include language regarding the sanctions for noncompliance. The grantee should be given 30 calendar days to respond. (See **Appendix 2**)

b. **120 calendar days following termination:**

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If there is no response to the original request, grants management staff will send a letter to the dean/head of the grantee institution, with copies to the principal investigator and the business official. The letter should be co-signed by both grants management and program staff. It should include the possible sanctions for noncompliance and should give the grantee 30 calendar days to respond. (See **Appendix 3**)

c . **150 calendar days following termination:**

As stated in the NIH Grants Policy Statement (Part II, Closeout), “*failure to submit timely final reports may affect future funding to the organization or awards with the same principal investigator.*” If after 150 calendar days all documents have not been received, one of the following sanctions may be imposed:

(1) **If the PI has other pending awards (competing or noncompeting) in the same IC**, funding should be held until the delinquent reports are received. A letter should be sent to the dean/head of the grantee institution with copies to the principal investigator and business official advising them of this sanction. The letter should be co-signed by the Chief Grants Management Officer and the Director of the IC.

(2) **If the PI or organization has other pending grants (competing or noncompeting) with a different IC**, the Chief GMO may contact the other IC to request withholding of future support.

(3) **If it is determined that delinquent submission of reports is a pattern for a particular grantee organization**, this should be reported to the Office of Policy for Extramural Research Administration (OPERA). OPERA and the Grants Management Advisory Committee (GMAC) will make a determination concerning the appropriate corrective action(s) and/or sanction(s); e.g., exclusion from Expanded Authorities.

F. Special Procedures:

1. **Closeout of Fellowships** - A Termination Notice (PHS 416-7) is required upon completion of a National Research Service Award (NRSA). Neither a final Financial Status Report (**SF 269**) nor a Final Invention Statement & Certification (**HHS 568**) is required. However, fellowships awarded under the NRSA must fulfill all payback requirements prior to IC staff officially closing the file. The NIH Policy Manual 4810 should be consulted for specific details on payback.

2. **Closeout of Institutional Training Grants** – The closeout of NRSA institutional training grants should follow a similar procedure to that of research grants, i.e., a Final Progress Report and final Financial Status Report are required within 90 days of the termination. However, a Final Invention Statement & Certification is not required.

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Although the official file may be closed, an individual's payback file (including the Statement of Appointment form(s) and the Termination Notice) cannot be closed until all payback requirements are fulfilled. This applies to all postdoctoral trainees. In addition, this applies to predoctoral trainees who incurred payback obligations prior to June 10, 1993.

G. Deviation/Waiver:

In unusual circumstances, after all reasonable efforts to secure the required documentation have been exhausted, the Chief GMO has the authority to waive the requirements for specific closeout documents. See OER, Policy Announcement 1997-02- (01/30/97), "Single-Case Deviation from PHS/NIH Grants Policy."

http://odoerdb2.od.nih.gov/oer/policies/oer_announce_1997_02.htm

Examples where a waiver might be considered are provided below.

1. Final Invention Statement

The grantee has consistently reported "no inventions" in all applications and staff has confirmed that no inventions have been reported to the Division of Extramural Inventions and Technology Resources, OPERA, OER, NIH.

2. Final FSR

All authorized funds are shown as disbursed and charged in the Payment Management System (PMS). Staff should contact OFM so that a closing transaction '059' can be entered into PMS. Once the '059' has been entered, the file should be annotated by printing a copy of the PMS report showing the record as financially closed.

Staff in OFM should be consulted before taking the above action.

H. Records Retention And Disposal:

All records (**e-mail** and non-e-mail) pertaining to this chapter must be retained and disposed of under the authority of NIH Manual 1743, "Keeping and Destroying Records," Appendix 1, "NIH Records Control Schedule." Item 4000 covers NIH Grants and Awards and item 1100-G covers Advisory Councils and Committee Management. Refer to the NIH Chapter for specific disposition instructions.

NIH e-mail messages (messages, including attachments, that are created on NIH computer systems or transmitted over NIH networks) that are evidence of the activities of the agency or have informational value are considered Federal records. **These records**

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must be maintained in accordance with current NIH Records Management guidelines. If necessary, back-up file capability should be created for this purpose. Contact your IC Records Officer for additional information.

All e-mail messages are considered Government property, and, if requested for a legitimate Government purpose, must be provided to the requestor. Employees' supervisors, NIH staff conducting official reviews or investigations, and the Office of Inspector General may request access to or copies of the e-mail messages. E-mail messages must also be provided to members of Congress or Congressional oversight committees if requested and are subject to Freedom of Information Act requests. Since most e-mail systems have back-up files that are retained for significant periods of time, e-mail messages and attachments are likely to be retrievable from a back-up file after they have been deleted from an individual's computer. The back-up files are subject to the same requests as the original messages.

I. Management Controls: The purpose of this manual issuance is to state the basic requirements for the administrative closeout of assistance awards following the expiration of support from the NIH.

1. Office Responsible for Reviewing Management Controls Relative to this Chapter:
The Division of Grants Policy (DGP), Office of Policy for Extramural Research Administration (OPERA), Office of Extramural Research (OER).
2. Frequency of Review: Ongoing reviews will occur as scheduled or on an ad hoc basis.
3. Method of Review: Other Review. DGP, working with the NIH Grants Management Advisory Committee (GMAC), is developing a NIH internal grants management compliance model (GMCM). Part of the GMCM will contain a file review component to ensure that I/C grant files are properly maintained and processed. Reports of findings and recommendations resulting from GMCM reviews or other similar types of reviews will be issued to I/Cs for appropriate action. Common issues will be brought to the GMAC for resolution and corrective action. Depending upon the nature and the extent of problems found, if any, the Director OPERA may recommend additional policy guidance or training for grants management staff.
4. Review Reports are sent to: The DDER, DDM and the Director, OPERA.

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Appendix 1

DATE: _____

GRANT NUMBER: _____

GRANT PERIOD DATES: _____

INVESTIGATOR: _____

INSTITUTION: _____

PROGRAM DIRECTOR: _____

GRANTS SPECIALIST: _____

I. Notification to Grantee of Required Closeout Reports☐ Closeout Terms & Conditions reflected on ____ Year Award ISSUED ON _____☐ 90 Day Letter to Business/Institutional Official (cc to PI) DATE SENT: _____☐ 120 Day Letter to Dean/Head of Grantee Institution DATE SENT: _____

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II. Final Progress Report☐ Final Progress Report Accepted:
Program Director: ACCEPTANCE/DATE _____☐ Progress Report in Type 2 Accepted:
Program Director: ACCEPTANCE/DATE _____☐ Reprints in Lieu of Progress Report Accepted:
Program Director: ACCEPTANCE/DATE _____**III. Date Final Financial Status Report Received** _____**IV. Date Final Invention Statement Received** _____**V. Deviation/Waiver** (Documentation Required – See Section G of Manual Issuance)
CHIEF GMO: APPROVAL/DATE _____

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Appendix 2

SAMPLE



DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

National Institutes of Health
National Institute of
General Medical Sciences
Bethesda, Maryland 20892-6200

<http://www.nih.gov/nigms/>

March 1, 1998

Jennifer Kalish
Director, Sponsored Research Projects
University of Texas Southwestern Medical Center
Department of Physiology
5323 Harry Hines Boulevard
Dallas, Texas 75235-9040

Re: 5 R01 GM12998-08

Dear Ms. Kalish:

The above referenced grant ended on November 30, 1997. To administratively close this project, our policy requires the submission of three final reports within 90 calendar days after termination. As stated in the Terms and Conditions of your award, "Failure to submit these required reports when due may result in the imposition of special award provisions or the withholding of support for other eligible projects or activities involving your institution or the individual responsible for the delinquency." The following report (s) checked below, are now overdue:

- ☐ Final Progress Report (Preparation guidelines enclosed, if applicable.)
(Note: a publication resulting from the research will suffice.)
- ☐ Final Invention Statement & Certification (HHS 568) (Form enclosed, if applicable)
- ☐ Final Financial Status Report (submit electronically, if applicable)

It is imperative that these reports be submitted immediately to me at the address indicated below. Thank you for your assistance. Should you have any questions, please contact me.

Sincerely yours,

Grants Management Specialist
Building 45, Room 2AS 55K
45 Center Drive, MSC 6200
Bethesda, MD 20892-6200

Enclosure(s)

cc:

Dr. Principal Investigator

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Appendix 3

SAMPLE



DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

National Institutes of Health
National Institute of
General Medical Sciences
Bethesda, Maryland 20892-6200
<http://www.nih.gov/nigms/>

April 1, 1998

John Smith, Ph.D.
Dean
University of Texas Southwestern Medical Center
5323 Harry Hines Boulevard
Dallas, Texas 75235-9040

Re: 5 R01 GM12998-08

Dear Dr. Smith:

This is in follow-up to our letter dated March 1, 1998 to Ms. Jennifer Kalish regarding the closeout documents for the above referenced grant. In accepting the grant, your institution agreed to comply with our policies, including the requirement for submitting final reports in a timely manner. Despite our efforts, the following report (s), checked below, are now 30 days past due .

- ☐ Final Progress Report (Preparation guidelines enclosed, if applicable.)
(Note: a publication resulting from the research will suffice.)
- ☐ Final Invention Statement & Certification (HHS 568) (Form enclosed, if applicable)
- ☐ Final Financial Status Report (submit electronically, if applicable)

We are concerned that your institution has been unable to comply with the Terms and Conditions of the award. It is imperative that the required reports be submitted immediately at the address below. Failure to do so could jeopardize future funding.

Please contact either one of us if you should have questions.

Sincerely yours,

Program Director
Building 45, Room 2AN.25A
45 Center Drive, MSC 6200
Bethesda, MD 20892-6200

Sincerely yours,

Grants Management Specialist
Building 45, Room 2AS 55K
45 Center Drive, MSC 6200
Bethesda, MD 20892-6200

Enclosure(s)

cc:

Dr. Principal Investigator
Business Official